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Richard D. Lawson
Director
Federal Regulatory Relations
United Telephone Companies

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JUL 19 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

July 19, 1993

Mr. William F. Caton, Acting Secretary
Federal Communications Commission

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Mr. Greg Vogt
Chief, Tariff Division
Federal Communications Commission
1919 M. Street, N.W., Room 518
Washington, DC 20554

RE: United Telephone Companies Revisions to Tariff FCC No. 5,
Transmittal Nos. 315, 323, Order (DA 93-657), released
June 9, 1993, in CC Docket No. 93-162

Dear Mr. Vogt,

At our June 29, 1993, meeting you requested information
regarding the United Telephone companies' rates for special
access expanded interconnection. You asked the United Telephone
companies to investigate the following specific areas:

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United responds as follows:

1) The monthly floor space charge for Warsaw, Indiana, is not abnormally high in comparison with the rates of other United Telephone companies. The United Telephone companies' rates for floor space range from a high of \$9.70 per month per square foot in Waynesville, Ohio, to a low of \$.89 per month per square foot in the Mallonee serving wire center in Fayetteville, North Carolina. The rate for the Warsaw site -- \$8.06 -- falls within this range. Further, we have verified the investment and square footage data used to calculate the Warsaw rate and have found them to be accurate.

The monthly floor space charge for Rolla, Missouri, is in error as filed. Two numbers ("floor space available" and "central office floor space") were transposed in calculating the monthly charge. The charge per square foot of floor space should be \$8.76. United intends to amend its expanded interconnection tariff to reflect the correct rate.

2) The costs for legal services associated with United Telephone-Southeast's licensing fee are not abnormally high, given the circumstances. The Southeast has only one attorney. The attorney is also an officer of the company there. Other United Telephone companies have staff attorneys who normally perform such legal services as those associated with licensing agreements. Costs of work performed by staff attorneys are lower than the costs of work performed by officers of a company or, generally, by outside counsel.

As to the general issue of overall rate levels, the United Telephone companies find that their monthly costs to interconnect a single DS1 circuit are well below \$32. The attachment to this letter shows that the monthly interconnection costs per DS1 circuit for the United Telephone companies range from a high of \$25.49 in Warsaw, Indiana, to a low of \$14.44 in the Commerce serving wire center in Kingsport, Tennessee.¹

1. The rates shown and used in calculations are the rates originally filed by the United Telephone companies in Transmittal Nos. 315 and 317. The costs per DS1 interconnection would be even lower than those shown if the rates that were subsequently adjusted downward by order of the Bureau had been used.

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I trust this letter satisfies your immediate concerns about costs and the rate levels associated with the United Telephone companies' services for special access expanded interconnection. I trust, too, that our having addressed your concerns will permit you to focus on the United Telephone companies' zone density pricing plan and that an order regarding the plan will be forthcoming.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Lawson", with a long horizontal flourish extending to the right.

Richard D. Lawson
Director
Federal Regulatory Relations

Attachment

cc: Mary Brown
FCC - Tariff Division
Christopher Frentrop
FCC - Tariff Division

United Telephone Companies
Monthly Expanded Interconnection Costs Per DS1

	<u>MINIMUM</u>	<u>MAXIMUM</u>
	<i>Kingsport, TN (Commerce)</i>	<i>Warsaw, IN</i>
<u>NON-RECURRING CHARGES</u>		
100 Square foot cage*	\$2,500.00	\$2,154.00
CO Buildout*	\$9,500.00	\$10,905.00
Application Fee	\$3,297.00	\$2,898.00
Cable pull labor (1000 feet/16 hours)	\$807.69	\$1,007.31
TOTAL NON-RECURRING	\$16,104.69	\$16,964.31
 Equivalent Monthly Payment (5 years, 10% interest)	 \$342.18	 \$360.43
<u>RECURRING CHARGES</u>		
100 square feet of floor space	\$198.00	\$806.00
1000 feet of conduit space	\$480.00	\$620.00
100 square feet of DC power	\$54.00	\$201.00
Fixed conduit space	\$39.58	\$161.28
100 DS1 electrical cross connects	\$330.00	\$400.00
TOTAL RECURRING	\$1,101.58	\$2,188.28
TOTAL MONTHLY COSTS	\$1,443.76	\$2,548.71
MONTHLY COST PER DS1	\$14.44	\$25.49

* Amounts are estimated; charges are tarified on a "Time and Materials" basis.